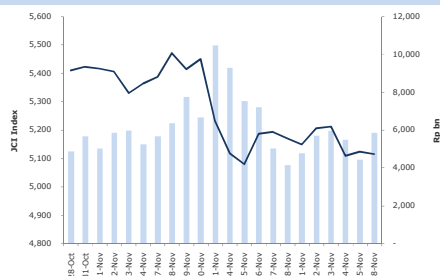


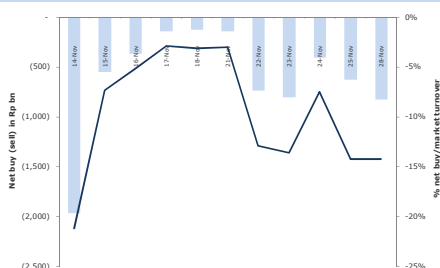
## News &amp; Analysis

## Corporates

JCI Index



Foreign net buy (sell)



## Key Indexes

Index	Closing	1 day	1 year	YTD
JCI	5,115	-0.1%	12.1%	11.4%
LQ45	852	-0.2%	8.3%	7.6%
DJI	19,098	-0.3%	7.3%	9.6%
SET	1,501	0.0%	10.1%	16.5%
HSI	22,831	0.5%	3.5%	4.2%
NKY	18,357	-0.1%	-7.7%	-3.9%
FTSE	6,799	-0.6%	6.7%	8.9%
FSSTI	2,875	0.5%	0.5%	-0.3%
EIDO	23	-0.6%	11.1%	10.4%

## Commodity price

Commodities	Last price	Ret 1 day	Ret 1 year
(in USD)			
Oil/barrel (WTI)	47.1	5.2%	12.9%
CPO/tonne	689.2	1.5%	30.3%
Soy/bushel	10.3	1.7%	17.7%
Rubber/kg	2.1	0.0%	59.6%
Nickel/tonne	11,583	0.6%	32.5%
Tins/tonne	21,255	0.7%	41.4%
Copper/tonne	5,866	0.0%	27.8%
Gold/try.oz (Spot)	1,194	0.9%	12.9%
Coal/tonne	92.3	-0.3%	74.6%
Corn/bushel	3.3	-0.7%	-8.3%
Wheat/bushel*	122.5	-0.6%	-25.9%

\* : 1 month change

Source : Bloomberg

**AISA:** Tiga Pilar Sejahtera (AISA IJ; Rp1,870; Buy) to expand its distribution network through retail and partners. In addition, the company is currently hiring 1,000 salesforce to ensure further penetration. Company will allocate capex of Rp600bn in 2017 which will be used for facility expansion. Furthermore, company is currently preparing to build 2 more rice factories in South Sulawesi, namely Sidrap and Bone. (Kontan)

*Comment:* We see the growing contribution of branded pack rice will benefit AISA in terms of margin expansion. In addition, we see the South Sulawesi factories to further strengthen its position throughout Indonesia and to capture the untapped market of East Indonesia. Maintain Buy with TP of Rp2,200.

**PTPP:** PT Pembangunan Perumahan (PTPP IJ; Rp3,900; Buy) set right issue price at Rp3,250/share. The ratio will be 500,000 old shares for 140,163 new shares and will be recorded in BEI on 8<sup>th</sup> December. Company is expecting Rp4.4tn of proceeds which will be used to finance strategic projects and working capital. On separate news, PTPP has accumulated new contract of Rp27tn until 10M16, coming close to its target of Rp31tn. (Bisnis Indonesia, Investor Daily)

*Comment:* the right issue price is at 17% discount on current price. The additional working capital will be beneficial for PTPP to execute its projects. PTPP's new contract achievement of 87% of FY16 shows strong performance and possibility to exceed its target. Maintain Buy.

## Markets &amp; Sectors

**Mining sector:** Despite mining shutdowns by the government of the Philippines, nickel ore export from the country to China remained relatively high in Oct16, reaching 3.35m tons (equals to around 53.5k tons of nickel content), down 32% mom from the peak in Sep16, but up 4.3% yoy and 28% higher than the average monthly shipment of 2.62m tons in 10M16.

On the other hand, export of ferronickel from Indonesia to China in Oct16 reached 86.3k tons (equals to around 17.3k tons of nickel content), up 61% mom and 121% yoy, bringing Indonesia's ferronickel export to China to 591k tons (~118k tons of nickel content) in 10M16, up 237% yoy. (China Custom)

*Comment:* This is in-line with our projection that rising Indonesia's ferronickel production will fill in supply gap from the Philippines which exported lesser nickel ore of 3.73mn tons (~59.7k tons of nickel) to China in 10M16.

**Poultry sector:** The government plans to set a new rule to minimize monopoly in the poultry industry. The new rule will cap maximum DOC price, and big poultry companies will have to supply at least 50% of their DOC production to the independent farmers. Details about the anti monopoly ruling are limited, but we view the sentiment will be negative to poultry companies. Additionally, the Business Competition Supervisory Commission (KKPU) gave the guilty verdict of cartel-like practices to the 12 poultry companies (including CPIN, JPFA and MAIN) which are required to pay a fine of Rp119.7bn. (Jakarta Post)

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**INVESTMENT RATINGS**

BUY : Expected total return of 10% or more within a 12-month period  
HOLD : Expected total return between -10% and 10% within a 12-month period  
SELL : Expected total return of -10% or worse within a 12-month period

**ANALYSTS CERTIFICATION.**

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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